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Volume 2
Reserve

✓ MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
September 1957



Number 2

A280.3449
C 39 Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY SEPTEMBER 1957

The Order MINIMUM uniform price payable to producers for milk delivered during September to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.98 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.3¢ for each one tenth of one percent above or below 4 percent. (See page 3) It is reported by Chattanooga Area Milk Producers' Association that their negotiated premium producer blend price will be \$5.09 for milk testing 4.0% butterfat.

During September 83.1 percent of total producer milk was priced in Class I at \$5.29 per cwt. with a handler butterfat differential of 7.7¢ and 16.9 percent was priced in Class II at \$3.61 per cwt. with a butterfat differential of 7.0¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 83.6% and 71.0% respectively.

The daily average deliveries of producer milk during September increased 7.4% compared with August and increased 9.3% compared with September 1956. The daily average use of Class I milk increased 3.6% compared with August and increased 2.2% compared with September 1956.

The Order MINIMUM Class I price for October is \$5.36 an increase of 7 cents over the September price. (Basic formula \$3.61 plus \$1.75 Class I Differential). The butter-powder formula price of \$3.61 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for October. The Chattanooga Area Milk Producers' Association reports a negotiated premium of 25¢ over Order Class I price for all its producer milk priced in Class I during October 1957.

NEW MILK BASES FOR 1958

Each producer for the Chattanooga Marketing Area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1958. The 1958 daily average base will be computed by dividing each producer's total milk deliveries to pool plants during September 1957 through January 1958 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From August 1957 through February 1958, producers will be paid a uniform blend price for their total milk deliveries. Producer bases are assigned to payroll accounts as reported by the handler(s) receiving the milk. Producers (particularly partnerships) are urged to see that their account name is correctly listed with the handler receiving their milk.

ACTIVITIES OF CHECK TESTERS SEPTEMBER 1957: Plant Scales checked 8; Plant calls 115; Samples tested - Composite 2,216, Fresh 4,345, Finished Products 186.

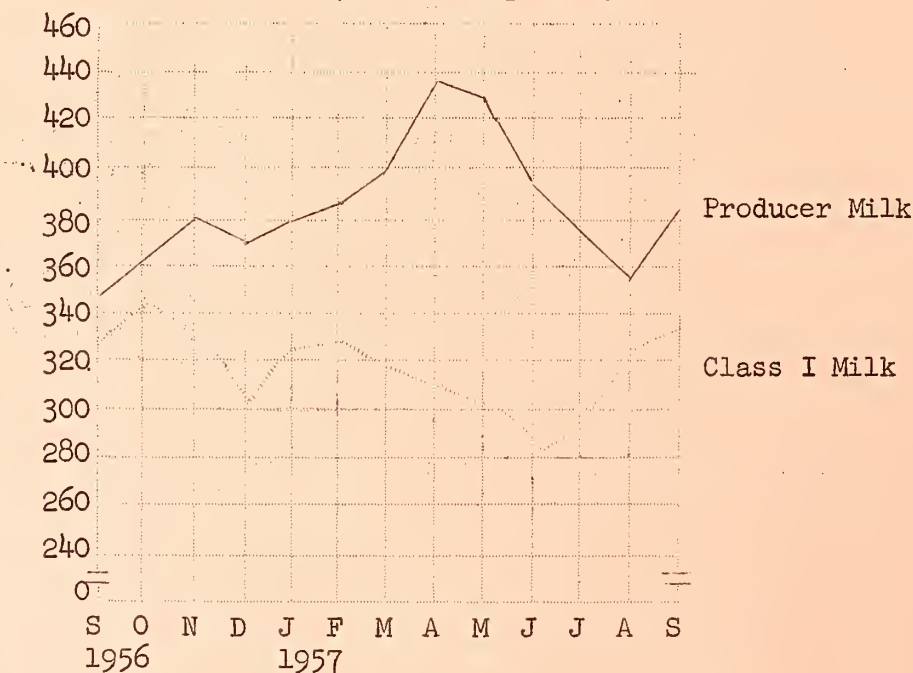
COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	Sept. '57	Aug. '57	Sept. '56 ^{1/}
Number of Plants (Pool and Non-Pool)	21	21	21
<u>GROSS RECEIPTS (DAILY)</u>			
Producer Milk Pounds	381,323	355,141	348,940
% Sept. '57 compared with:	100.0	107.4	109.3
Other Source Milk Pounds	24,648	24,003	29,305
<u>TOTAL MILK POUNDS</u>	405,971	379,144	378,245
% Sept. '57 compared with:	100.0	107.1	107.3
<u>GROSS UTILIZATION (DAILY)</u>			
Class I Milk Pounds			
Fluid Milk	268,981	259,648	266,400
Buttermilk	34,993	37,004	35,571
Chocolate Milk	7,763	8,051	7,641
Fluid Skim	4,526	4,720	4,037
Fluid Creams	1,821	1,969	1,796
Bulk Milk and Cream to Non-Handlers	15,088	9,906	11,682
Class I Shrinkage	2,863	2,653	1,165
Inventory Reclassification	(844)	(411)	(257)
Overstated Sales	(4)	(50)	(24)
<u>TOTAL CLASS I MILK</u>	335,187	323,490	328,011
% Sept. '57 compared with:	100.0	103.6	102.2
Class II Milk Pounds (Used to Produce)			
Butter	1,802	2,064	2,072
Cottage Cheese	10,402	10,436	7,262
Powder and Condensed Milk	21,852	24,606	13,673
Ice Cream	15,274	15,151	12,244
Inventory Variation	13,239	(5,246)	7,859
Other	8,215	8,643	7,124
<u>TOTAL CLASS II MILK</u>	70,784	55,654	50,234
% Sept. '57 compared with:	100.0	127.2	140.9
% Producer Milk of Gross Class I	113.8	109.8	106.4
% Producer Skim of Gross Class I Skim	113.0	109.1	105.6
% Producer Bf. of Gross Cl. I Bf.	132.7	127.2	127.9
% Producer Milk Priced in Class I	83.1	85.8	87.5

^{1/} Revised per audit

DAILY AVERAGE PRODUCER RECEIPTS AS COMPARED TO GROSS CLASS I UTILIZATION
(1000 lbs. per day)



SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR SEPTEMBER 1957

Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		10,055,609	3.681		
Less Other Source		552,680	3.864		
Producer Milk Class I	83.1	9,502,929	3.669879	\$5.035807	\$478,549.16
Gross Class II		2,123,509	6.708		
Less Other Source		186,763	0.046		
Producer Milk Class II	16.9	1,936,746	7.349905	5.954934	115,331.95
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,439,675	4.292910		593,881.11
Add Unpriced Milk Allocated to Cl. I		52,180		0.31	161.75
Add Overage Value					145.94
Add Inventory Reclass. Value					134.31
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					4,907.27
TOTAL VALUE AT TEST		11,439,675	4.292910		599,230.38
Less Test Over $\frac{1}{4}\%$ @ 7.3¢ per point		11,439,675	.292910	.213824	24,460.77
TOTAL VALUE AT $\frac{1}{4}\%$		11,439,675	4.0	5.024353	574,769.61
Less Producer-Settlement Fund Reserve		11,439,675		.044353	5,073.84
UNIFORM PRICE f.o.b. POOL PLANT		11,439,675	4.0	4.98	569,695.78

SEPTEMBER 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Miles)
BUTTERFAT DIFFERENTIAL 7.3¢ PER POINT
 (Excludes Premium)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.25	3.6	\$4.688	4.2	\$5.126	4.8	\$5.564	5.4	\$6.002
3.05	4.2865	3.65	4.7245	4.25	5.1625	4.85	5.6005	5.45	6.0385
3.1	4.323	3.7	4.761	4.3	5.199	4.9	5.637	5.5	6.075
3.15	4.3595	3.75	4.7975	4.35	5.2355	4.95	5.6735	5.55	6.1115
3.2	4.396	3.8	4.834	4.4	5.272	5.0	5.71	5.6	6.148
3.25	4.4325	3.85	4.8705	4.45	5.3085	5.05	5.7465	5.65	6.1845
3.3	4.469	3.9	4.907	4.5	5.345	5.1	5.783	5.7	6.221
3.35	4.5055	3.95	4.9435	4.55	5.3815	5.15	5.8195	5.75	6.2575
3.4	4.542	4.0	4.98	4.6	5.418	5.2	5.856	5.8	6.294
3.45	4.5785	4.05	5.0165	4.65	5.4545	5.25	5.8925	5.85	6.3305
3.5	4.615	4.1	5.053	4.7	5.491	5.3	5.929	5.9	6.367
3.55	4.6515	4.15	5.0895	4.75	5.5275	5.35	5.9655	5.95	6.4035

NUMBER OF FARM PAYROLL ACCOUNTS

	1956				1957								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
New		80	6	7	8	1	0	5	0	0	2	14	17
Quit		17	13	65	6	4	4	2	4	0	3	0	12
Total	801	864	857	799	801	798	794	797	793	793	792	806	811
Cans	760	820	811	750	742	732	725	726	714	696	694	704	700
Bulk Tank	41	44	46	49	59	66	69	71	79	97	98	102	111

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

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Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept. '56	\$5.00 <u>1/</u>	-	-	7.2¢	\$5.28	7.7¢	\$3.57	6.9¢
Oct.	5.08 <u>1/</u>	-	-	7.3¢	5.32	7.8¢	3.60	7.0¢
Nov.	5.02 <u>1/</u>	-	-	7.4¢	5.35 <u>1/</u>	7.9¢	3.65	7.1¢
Dec.	4.93 <u>1/</u>	-	-	7.2¢	5.40 <u>1/</u>	8.0¢	3.55	6.9¢
Jan. '57	4.97 <u>1/</u>	-	-	7.1¢	5.37 <u>1/</u>	7.8¢	3.53	6.8¢
Feb.	4.90 <u>1/</u>	-	-	7.1¢	5.36 <u>1/</u>	7.7¢	3.24	6.8¢
Mar.	4.76 <u>2/</u>	\$5.01 <u>1/</u>	\$3.14	7.1¢	5.33	7.7¢	3.18	6.8¢
Apr.	4.55 <u>2/</u>	4.90 <u>1/</u>	3.09	7.1¢	5.28	7.7¢	3.13	6.8¢
May	4.54 <u>2/</u>	4.88 <u>1/</u>	3.07	7.1¢	5.28	7.7¢	3.11	6.8¢
June	4.55 <u>2/</u>	4.82 <u>1/</u>	3.04	7.1¢	5.28	7.7¢	3.08	6.8¢
July	4.69 <u>2/</u>	4.96 <u>1/</u>	3.00	7.1¢	5.28	7.7¢	3.04	6.8¢
Aug.	4.94 <u>1/</u>	-	-	7.2¢	5.28	7.7¢	3.06	6.9¢
Sept.	4.98 <u>1/</u>	-	-	7.3¢	5.29 <u>1/</u>	7.7¢	3.61	7.0¢
Oct.	-	-	-	-	5.36 <u>1/</u>	7.9¢	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula
	Mid-West Cond.3.5%	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Cond.	4 Tenn. Milk			
	\$ cwt.	¢ lb.	¢ lb.	¢ lb.	Mid-West	Butter-Cheese	Butter-Powder	Milk Mfgs.	
Sept. '56	3.183	60.283	14.280	33.172	3.54	3.28	3.57	3.12	3.57
Oct.	3.215	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60
Nov.	3.256	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65
Dec.	3.264	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan. '57	3.254	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	3.229	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58
Mar.	3.171	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	3.098	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	3.067	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK ^{3/}						Deliveries Per			Prod. Milk Test%
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.	Number of Hdlr. Prod.	Farm --		Pounds	
							Prod.	Base	Exc.	
Sep. '56	328,011	305,451	348,940	-	378,245	21 801	436	-	-	4.43
Oct.	341,141	320,375	362,430	-	391,553	21 864	419	-	-	4.51
Nov.	332,580	314,230	379,289	-	401,712	21 857	443	-	-	4.58
Dec.	303,228	284,777	369,649	-	393,126	20 799	463	-	-	4.51
Jan. '57	322,389	303,901	377,848	-	400,370	20 801	472	-	-	4.53
Feb.	324,782	304,944	384,266	-	408,530	20 798	482	-	-	4.40
Mar. ^{4/}	317,192	298,741	399,102	345,439	421,610	20 794	503	435	68	4.36
Apr.	313,291	294,353	436,110	351,986	459,174	20 797	547	442	105	4.24
May	304,528	285,623	429,684	349,056	453,586	20 793	542	440	102	4.21
June	285,666	267,244	392,416	334,412	415,521	20 793	495	422	73	4.23
July	297,391	279,329	373,575	322,798	397,274	21 792	472	408	64	4.20
Aug.	323,490	304,724	355,141	-	379,144	21 806	441	-	-	4.19
Sept.	335,187	316,764	381,323	-	405,971	21 811	470	-	-	4.29

^{1/} Excludes Premium^{2/} For statistics only.^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base.^{4/} Audited figures through March 1957.